

Virtue: The Missing Ethics Element in Emotional Intelligence

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Abstract The Emotional Competency Inventory (ECI) framework of Daniel Goleman and Richard Boyatzis has gained significant impact in business leadership and management development. This paper considers the composition of the various versions of the ECI and its successor the Emotional and Social Competency Inventory to determine the nature of any appeal to ethics or moral competence within these frameworks. A series of concerns regarding the ethical limitations of the frameworks are presented with arguments supported by the relevant literature across the Emotional Intelligence (EI), competency theory and ethics fields. Based on a review of the ECI competencies in terms of their definitional constructs, it appears possible for an unethical manager or leader to demonstrate EI competence. Several cases involving high-profile business leaders, who were once lauded but later found to have acted unethically, are analysed. The authors consider the capacity of unethical leaders and managers to fulfil EI competence an issue of concern. The inclusion of an ethical management cluster and a number of competencies based on virtue ethics is proposed to meet this concern. Such an inclusion would address the critical issue of the purpose to which an EI competence is applied. Argument supporting the value of a virtue ethics approach as opposed to utilitarian or duty-based ethics approaches is also presented. Finally, a proposed exemplar of an ethically informed ECI framework is included for consideration.

Keywords Emotional competency · Emotional intelligence · Moral competence · Virtue ethics · Ethical management

Introduction

Over the last 30 years, management education has had a growing acceptance of managerial competence models as both a theory to understand the competencies that drive superior *work* performance and as approaches to develop managerial practice.

The competency approach to development emphasises that in order for managers and leaders to cope with a diverse range of situations and people, they must be able to adapt their behaviours through diagnosis of problems and people (Eraut 1994). Numerous management and leadership models can be classified as competency approaches including those of Boyatzis (1982); Hellriegel et al. (2008); Salovey and Mayer (1997); Pedler et al. (2007) and Quinn et al. (2011).

In the aftermath of the global financial crisis, some commentators have claimed that managers and leaders were significant contributors to this event through poor and risky decision-making combined with lax ethical standards (Schlegelmilch and Thomas 2011; Jacobs 2009). This prompts consideration of the development of management practice and in particular, the ethical competence of managers. The EI framework of Goleman, Boyatzis and Rhee (Sala 2002) is one of the leading models for the development of superior management and leadership with a range of competencies grouped into various clusters. However, a review of this model and its previous as well as successive iterations reveals the absence of a direct appeal to ethics or morality as a basis supporting effective managerial

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practice. EI can provide managers and individuals with valuable competences, but the authors suggest that as an ethical dimension or competency is missing, the purpose to which EI is directed could be questionable. This raises the possibility of managers and leaders demonstrating EI competence in a work context and yet behave unethically.

This paper outlines the concept of emotional intelligence as advanced by leading authors associated with the concept. A review of the EI frameworks as advocated by Goleman, Boyatzis and Rhee and its various reiterations follows which highlights the systematic removal of a direct and indirect appeal to ethics. A review of high profile leaders, once lauded for their leadership capabilities but later found to have acted unethically, and in some cases illegally, is discussed to demonstrate how these individuals could be seen to be highly emotional intelligent through the use of specific EI competencies. A modified ECI is proposed with a new central Ethical Management cluster which provides the basis for a number of moderating ethical competencies included in each of the four ECI clusters.

Competency, Emotional Intelligence and its Development

The *competency* approach requires conceptual understanding of the subject matter, the context, which behaviours are required and then how to effectively engage with others. This is to ensure not only consistency but also *genuineness* or *authenticity* so as to be seen as credible (Boyatzis 1982; Goleman 1995, 1998; Pedler et al. 2007). This latter point emphasises the importance of *Self-awareness*, and why leaders and managers must assess their competence so as to identify developmental needs. The competency approach proposes that the development of superior management practice is dependent on three interrelated concepts. The first is *conceptual knowledge* which represents the body of knowledge that underpins or explains concepts and processes which managers must acquire to understand what is happening or what they need to do. The second is *behavioural capacity*: which are the actual behaviours or skills that manager and leaders need to develop. The third and final concept is that of *attitudes* which enable the knowledge and behaviours to be applied in a way that demonstrates *genuineness* or *authenticity*. This final concept is particularly important to the practice of a competency in that those who we work with can see and feel that we are concerned about them as human beings as well as their situation and needs. These three critical concepts mean that the practice of management and leadership is informed rather than relying on intuition or luck.

Emotional Intelligence (EI) was first defined by Salovey and Mayer as, ‘... the ability to monitor one’s own and

others’ feelings and emotions, to discriminate among them and to use this information to guide one’s thinking and actions’’ (Salovey and Mayer 1990, p. 189). Following on from Boyatzis’ (1982) work in the area of competence, Daniel Goleman pursued the concept of EI. Goleman (1998, p. 9) defined EI as ‘the capacity for recognising our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and others’.

Goleman (1998, p. 23) specifically defines an *emotional competence* as a ‘learned capability based on emotional intelligence which results in outstanding performance at work’. Boyatzis (1982, p. 21) provided an earlier definition of a *job competency* as an ‘underlying characteristic of the person that leads to or causes effective or superior performance’. By combining the two, Boyatzis (2009) has put forward that

- An emotional intelligence competency comprises the abilities to identify, understand and utilise emotional information about the self that causes or results in superior performance.
- A social intelligence competency comprises the abilities to identify, understand and utilise emotional information about others that causes or results in superior performance.
- A cognitive intelligence competency comprises the ability to conceptualise or analyse information and contexts that causes or results in superior performance.

Quinn et al. (2011); Pedlar et al. (2007); Hellriegel et al. (2008) Boyatzis (1982) and McLelland (1973) support Goleman’s position that competencies can be learnt and developed which then leads to outstanding or superior performance. This perspective suggests that managers and leaders can identify those aspects in which they are deficient and acquire the conceptual, behavioural and attitudinal knowledge that can increase their competence enabling superior performance. However, Quinn et al. (2011) note that not all competencies are necessarily required; rather, depending on position and roles within an organisation, managers can compensate for deficiencies or the absence of some competencies with a combination of others. Emmerling and Boyatzis (2012) also suggest that managers and leaders choose or do not choose to exercise competencies in various situations as a matter of preference. Goleman and Boyatzis suggest that mandatory competencies must be present for superior performance to occur, arguing that the other competencies are not at all necessary for superior performance (Wolff 2005).

As noted in the introduction, since its development in 1998, the EI Competency framework has undergone a number of changes that supposedly refine the clusters and competencies to those that purportedly enhance management and leadership performance. It is important to review these changes to determine the extent to which the models appeal directly or indirectly to ethical practice and the

Table 1 Boyatzis, Goleman and Rhee emotional competency inventory (ECI 1.0)

ECI 1.0	
Boyatzis, Goleman and Rhee, emotional competency inventory 2000 (Sala 2002)	
Measurement of emotional intelligence by 360° survey designed to assess 4 clusters of 20 competencies that differentiate outstanding from average performers	
<i>Self-awareness</i>	<i>Social awareness</i>
Emotional self-awareness	Empathy
Accurate self-assessment	Organizational awareness
Self-confidence	Service orientation
<i>Self-management</i>	<i>Social skills</i>
Self-control	Developing others
Trustworthiness	Leadership
Conscientiousness	Influence
Adaptability	Communication
Achievement orientation	Change catalyst
Initiative	Conflict management building bonds Teamwork and collaboration

extent to which these appeals have changed. The original framework featured 25 competencies across five groups or clusters: *Self-awareness*, *Self-regulation*, *Motivation*, *Empathy* and *Social skills* (Goleman 1998). These five clusters and competencies were researched, analysed and reconfigured into the Emotional Competence Inventory (ECI 1.0) in 2000. This modified framework is presented in Table 1 and identified four clusters as *Self-awareness*, *Self-management*, *Social awareness* and *Social skills* and reduced the number of competencies to 20 (Goleman 2000; Sala 2002). As indicated above, excelling in all competencies is not necessary to be considered competent; however, some competencies were considered mandatory (Wolff 2005). The three competencies in the *Self-awareness* cluster (*Emotional self-awareness*, *Accurate self-assessment* and *Self-confidence*) were mandatory. In the *Self-management* cluster, *Emotional self-control* was mandatory and in the *Social awareness* cluster *Empathy* was mandatory. Finally, in the *Relationship management* cluster *Influence* was considered mandatory.

Reviewing the first ECI framework proposed by Boyatzis, Goleman and Rhee (Sala 2002), there are three competencies that would qualify as having an ethical dimension. *Trustworthiness* and *Conscientiousness* in the Self-Management Cluster, could be described as virtues within an Aristotelean tradition (Pence 1993). Whilst the former includes a direct appeal to integrity, this is simply defined as ensuring consistency between one's own values and action. No mention of whether these values are

Table 2 Boyatzis, Goleman and Rhee, emotional competency inventory (ECI 2.0)

ECI 2.0	
Boyatzis, Goleman and Rhee, emotional competency inventory, ECI 2.0 (Wolff 2005)	
Measurement of emotional intelligence by 360° survey designed to assess 4 clusters of 18 competencies that differentiate outstanding from average performers	
<i>Self-awareness</i>	<i>Social awareness</i>
Emotional awareness	Empathy
Accurate self-assessment	Organizational awareness
Self-confidence	Service orientation
<i>Self-management</i>	<i>Relationship management</i>
Emotional self-control	Developing others
Transparency	Inspirational leadership change catalyst
Adaptability	Influence
Achievement orientation	Conflict management
Initiative	Teamwork and collaboration
Optimism	

the 'right' ones, as required in virtue ethics, is made. Similarly, the *Conscientiousness* competency is not defined as having a concern for doing the right thing, as might be expected; rather it refers to taking responsibility for performance. *Conscientiousness* equates to thoroughness, industriousness and attention to detail. Here, the emphasis is more of a focus towards a performance outcome, or utility as opposed to any good or responsible behaviour. Boyatzis, Goleman and Rhee (Sala 2002) include *Empathy* as a competency in the Social Relations cluster, which they describe as sensing others' feelings and perspectives, and taking an active interest in their concerns. The purpose of these competencies is not clarified.

Following further analysis of the application of the ECI instrument, a second iteration of the ECI framework, ECI 2.0 was developed and is presented in Table 2. In ECI 2.0, the key refinements of ECI 1.0 to ECI 2.0 were as follows:

- *Leadership* became *Inspirational Leadership*.
- *Trustworthiness* became *Transparency*.
- *Achievement Orientation* became *Achievement*.
- *Self-Control* became *Emotional Self Control*.
- The *Social Skills* cluster became the *Relationship Management* cluster.

Finally the following competencies were adjusted:

- *Conscientiousness* and *Communication* were dropped from the framework, as they did not differentiate outstanding performance.

Table 3 Boyatzis, Goleman and Rhee, emotional and social competency inventory (ESCI)

ESCI		<i>Social awareness</i>	
Boyatzis and Goleman, emotional and social competency inventory 2011			
Measurement of emotional and social intelligence by 360° survey designed to assess 4 clusters of 12 competencies that differentiate outstanding from average performers			
<i>Self-awareness</i>		<i>Social awareness</i>	
Emotional self-awareness		Empathy	Organizational awareness
<i>Self-management</i>		<i>Relationship management</i>	
Emotional self-control		Influence	
Achievement orientation		Coach and mentor inspirational leadership	
Positive outlook		Conflict management	
Adaptability		Teamwork	

- *Building Bonds* was integrated with *Teamwork* due to high inter-correlation.
- *Optimism* was added from the original ECI framework (Wolff 2005).

Boyatzis, Goleman and Rhee (Wolff 2005) reframed the competency of *Trustworthiness* to *Transparency* and dropped *Conscientiousness* entirely. It is argued that these changes actually moved the ECI framework away from its previous direct link to ethical concepts to one of a more inferred nature. *Transparency* is more closely linked to concepts of clarity and openness, whereas *Trustworthiness* is more aligned to concepts of honesty, credibility and responsibility. By refining the ECI 2.0, any appeal to ethical practice in managing or using emotions has been diminished.

The most recent EI framework from Boyatzis and Goleman, the Emotional Social Competency Inventory (ESCI) (Table 3) has executed a number of name changes to competencies to focus their intent. Further the competencies *Accurate Self-assessment*, *Self-confidence*, *Service orientation* and *Change catalyst* are now excised. *Initiative* is also gone now subsumed into *Achievement orientation*. Whilst *Empathy* still features in the framework, it is now defined as picking up cues to what is being felt and thought. It appears that the purpose of empathy in this latest version is to analyse why people are acting in a particular way. It does not directly say how one should behave towards the individual, or what should be done with the insights one develops.

As Carruso and Salovey (2004, p. 171) admit 'A manager who is expert in managing emotions can use the ability to manipulate employees'. They also indicate that

'The emotionally intelligent manager's moral perspective is, we hope, well developed' (Carruso and Salovey 2004, p. 171). From this analysis, it can be concluded that the Salovey and Carruso agree that EI lacks any inherent ethical underpinnings and specific ethical capacity. Rather, it is assumed that managers are already ethical and will use EI, and in the context of the present discussion on EI competencies, in an ethical manner. As Foy (2002) notes that the ability to engage in ethical reasoning is based on an understanding of ethical concepts and theories, which the authors argue is a form of conceptual knowledge. This is not presently considered in the ECI frameworks. The most striking change of all within the ECI framework is the removal of *Transparency* (i.e. maintaining integrity, acting congruently with one's values). In effect, the removal of this one and only appeal to a potential ethical practice to inform the behaviour of an emotionally intelligent manager, leaves this framework devoid of any inferred ethical capacity.

Examining the variants of ECI framework and assessment, not one approach makes a direct appeal to ethics and morality as a specific competency. The position of Carruso and Salovey (2004) would also suggest that a moral dimension is clearly absent from the emotional intelligence constructs. It is not our contention that the ECI frameworks do not succeed in supporting ethical practice; however, the authors argue that the failure to appeal directly to morality in the competencies as discussed above leaves managers and leaders open to potential decision-making and actions that are unethical. As such the authors suggest that any ethical outcomes associated with the current ECI frameworks are a matter of moral luck and certainly not developed or necessarily supported by the ECI competencies themselves.

Is it Possible to be Emotionally Intelligent Yet Unethical?

In considering whether it is possible to be emotionally intelligent yet behave unethically, a key issue is related to the numerous negative psychological types within business and social settings (Babiak and Hare 2006; Babiak et al. 2010). These individuals have the capacity to demonstrate self-awareness of emotions, manage emotions, be highly aware of others' emotions and manage relationships with great skill, yet may be morally bankrupt in the purpose in which they develop relationships and the way they behave towards others.

The behaviours of leading business figures such as Kenneth Lay and Bernard Madoff epitomised seeming competence in EI, but a lack of ethical competence in business behaviour. Lay as Chairman of the Enron

Corporation systematically defrauded shareholders, whilst Madoff of Bernard L. Madoff Securities constructed the world's most infamous 'ponzi' scheme defrauding investors. In many instances, such business leaders display highly unethical behaviours in a leadership style that appears to remain consistent with a competent management profile (Babiak and Hare 2006; Babiak et al. 2010).

Madoff in particular was noted at several business meetings for a very sound capacity for *Social Awareness* displaying considerable competence to sense others' feelings and perspectives, taking an active interest in their concerns and picking up cues to what is being felt and thought. This is consistent with the description of the *Empathy* competence in the ESCI (Boyatzis 2007). Madoff was highly skilled in controlling his emotions not to display any stress and was an effective reader of others' emotions with the ability to make others the centre of attention in social interactions. According to the investigative interviewer Diana B. Henriques in her book *The Wizard of Lies*

He inspired trust in a very unusual way. He would never be the most charming person in the room. He would make you feel like you were the most charming person in the room (Henriques 2011, p. 48).

In a 1997 interview with Kenneth Lay in 'Strategy Bites Back', Gary Hamel depicts a business leader and manager displaying positive EI characteristics in words and description of actions undertaken by the corporation (Hamel 2005). Mayer and Caruso (2002) in discussing intelligently emotional leadership identify EI behaviours in strategic planning. These include conceptualising and carrying out strategic plans by managing one's emotions, to also lead by encouraging desired emotional reactions associated with the plan. This was in essence the practice by Lay when Enron was at its zenith, to appeal to employees and shareholders with new strategic business models and plans. Lay was also a major figure in the social fabric of Houston Texas where Enron's headquarters were located. In an interview on the PBS News Hour in February 2002, Bob Stein of Rice University when asked about Lay's capacity as a political operator made the following comments:

At the national level he courted Democrats and Republicans alike as your piece pointed out. He was a friend not only of President Bush, his father, but Bill Clinton. The monies he gave strategically, to key House members on important committees and he was an ardent fan of deregulation and anything that would boost Enron (Warner 2002)

This clearly confirms Lay's capacity regarding Social awareness competence in terms of Organisational

awareness and Relationship management competence in relation to Influence and Conflict Management. To underpin these social competencies, it is argued that intra-personal capacities would have been needed. In terms of Self-Management, Achievement Orientation and Positive Outlook would have been prominent. Similarly with regard to Emotional Self-Awareness, it is argued that the competence of Self-awareness would have been significant. This is based on the importance of understanding own emotions and self-confidence in particular when operating in high level political spheres (Costantini and Craik 1980).

Martha Stewart founder of Martha Stewart Living Omnimedia which encompassed publishing, merchandising, electronic commerce and broadcasting was found guilty of insider trading in 2004. Any review of Stewart prior to the incident would have identified her as demonstrating many of the key EI competencies, particularly regarding Self-awareness, Self-management, Social awareness and Relationship management. All these were critical to her success in the realm of broadcasting and establishing personal celebrity following. The insider trading action taken by Stewart to avoid a financial loss was unethical, yet other evidence of her behaviours prior to the insider trading scandal pointed to a largely emotionally intelligent business leader.

A further case of note is that of Rebekah Brooks the former Chief Executive Officer of News International and a reputed favourite of Rupert Murdoch, her employer. Brooks' capacity for Self-awareness, Self-management, Social awareness and Relationship management as evidenced by her capacity to broker relations into British business society and the highest political echelons demonstrates high-level EI competencies. Brooks as the then editor of the *News of the World* newspaper is on record in front of a 2003 UK Commons parliamentary select committee admitting to paying police for information before another News International Executive corrects her statement (The Telegraph 2013). Brooks is clearly admitting to unethical acts. Prior to the phone-hacking scandals of 2012, Brooks was in a privileged position supported by well-implemented Social awareness and Relationship management competencies.

Though such leaders and managers appear to display many of the EI competencies, they lack any ethical competence as evidenced by the pattern of their unethical decision-making and actions. Moore (2008) and Stevens et al. (2012) have suggested that the corporate psychopath, as defined by Babiak and Hare (2006), in particular suffers from moral disengagement. According to Stevens et al. (2012), justifications permit individuals to engage in unethical decision-making or behaviour without experiencing any distress by reframing their cognitive perceptions. Moral disengagement explains how individuals such as Bernard Madoff continued his 'ponzi' scheme for such a

lengthy period and was such a trusted and admired individual by many of his clients.

According to Babiak and Hare (2006), the corporate psychopath may display many of the competencies described by Goleman yet act unethically. They are described as a very effective reader of others and able to influence them to engage in corrupt or unethical practice (Babiak and Hare 2006; Boddy 2006, 2011; Miceli 1996). Under the current EI frameworks, this could be seen as the use of *Empathy*—to read and understand the motivation of others (Bar-On 2000) or the ability to sense others' feelings and perspectives, taking an active interest in their concerns and picking up cues to what is being felt and thought (Boyatzis 2007). In the most recent ESCI framework, the competency *Empathy* is defined as awareness of another's emotions—reading the other person's emotions and not as connecting to another individual to share their feelings (Boyatzis 2007). The critical query remains—Is the purpose to which that competency being directed ethical?

Combined with the competency of Influence—the ability to have a positive impact on others, persuading or convincing others to gain their support, and the competency of *Organisational awareness*—that is the ability to read organisational power relationships, the corporate psychopath can successfully understand and manipulate the motivations of others. They are expert at using power relationships to influence the behaviour of others to engage in unethical practice. This type of individual is characterised as the 'puppet master' by Babiak and Hare (2006) and could clearly be seen as competent against a range of the current ECI competencies.

Kellerman (2004) highlights that despite the harm that some individuals cause, there is a tendency within the management field to glorify such leaders. Kaiser and Hogan (2010, p. 216) note that 'daily organisation life includes staff abuse, rule bending, theft, and skullduggery perpetrated by people in positions of authority'. Padilla et al. (2007) and Thompson et al. (2008) describe these issues as those involving questions of integrity.

Measuring Emotional Competency

A critical issue to resolve in any analysis of the ECI or ESCI frameworks is the question—what do they measure? A further issue to resolve is what impact does the answer to this question have on the application of these frameworks particularly as performance development tools.

One of the key aspects of all the models of managerial competency and EI frameworks is that they are promoted as improving managerial performance (Bharwaney et al. 2007; Boyatzis 1982; Carruso and Salovey 2004; Goleman et al.

2002; Goleman 2001; Pedlar et al. 2007). In each case, the framework or model provides competencies, traits or abilities, which if behaviourally will lead to superior performance (Boyatzis and Saatcioglu 2008; Boyatzis 2001; Cherniss and Goleman 2001; Spencer and Spencer 1993). The Consortium for Research on Emotional Intelligence in Organizations (CREIO) has numerous research reports attesting to the performance enhancement of individuals and productivity improvement of organisations undertaking EI-based development interventions. However, the measures put forward to assess this superior performance are not behavioural but rather financial indicators of organisational performance. Boyatzis (1982, p. 12) states, "effective performance of a job is the attainment of specific results (i.e., outcomes) required by the job through specific actions while maintaining or being consistent with policies, procedures, and conditions of the organizational environment". He further maintains that motives are a critical factor in determining whether a person develops competencies. Boyatzis (1982, p. 13) defines a motive as follows: 'a motive includes thoughts related to a particular goal state or theme'. He further proposes that when an individual encounters a situation in which their performance can be measured and a goal stated, their achievement motive is aroused. This implies that the competency model is based on the assumption that motive or intent is purely goal related and assessed using some measure of utility.

Cherniss (1999) in discussing the business case for EI puts forward very solid productivity and financial gains based on EI interventions. These represent an output-based measure of performance. At no point in his discussion does Cherniss identify specific competences that supported behavioural change or specific exhibited behaviours that would link to specific EI competences. In his report of results, Cherniss (1999) states the following case examples all of which identify utility without detail of any underlying link to specific EI competencies:

- A group of experienced partners in a multinational consulting firm was assessed on EI competencies. Those partners scoring above the median on 9 or more of the 20 competencies delivered \$1.2 million more profit than did other partners. This represented a 139 percent productivity gain (Boyatzis, 1999).
- At the cosmetics corporation L'Oreal, based on annual figures, salespeople who selected applying emotional competence achieved a value of \$91,370 more in sales than did the other sales personnel. This resulted in a net revenue increase of \$2,558,360 (Spencer and Spencer 1993; Spencer et al. 1997).
- In a manufacturing setting, supervisors, who received similar EI training, achieved a production increase of 17 %. There was no such increase in production for a

group of matched supervisors who were not EI trained (Porras and Anderson 1981).

Similarly, Hay Group (2011) in outlining the benefits of the new ESCI framework in the User Guide for Accredited Practitioners identify its value largely in terms performance output. Under the section entitled ‘Does the ESCI predict performance across EI competencies?’ only two exemplar cases that of a service sector call centre and a Johnson & Johnson Consumer Company discussed the emotional competencies and resulting behaviours underpinning superior work performance.

According to Hay Group (2011):

- In a study of 135 call centre agents, based on objective measures (number of calls handled, productivity on systems, etc.) and on the quality of call conversations revealed several moderately significant correlations between EI competencies and call centre performance. The most significant correlations were between their performance and the competencies adaptability, achievement orientation (including initiative), developing others, leadership, influence, conflict management and teamwork.
- A study of 358 managers at a Johnson & Johnson consumer company by Cavallo and Brienza (2002) revealed a strong relationship between superior performance and the emotional competencies of achievement orientation (including self-confidence, initiative and change catalyst, inspirational leadership and influence.

According to Hay Group (2011, p. 9), “At an individual level the ESCI, often combined with coaching, can help leaders and key contributors to determine what outstanding performance means for them within their role’. Taking these two definitions into account, it would be reasonable to conclude that the purposes of the ECI and ESCI are to assist individuals identify emotional competencies that lead to outstanding work performance, and where required, to develop those competencies. The studies cited by Cherniss (1999) and Hay Group (2011) repeatedly identify performance outcomes in terms of productivity or financial gain, which can be described as a form of utility. There is little or no discussion of specific competencies or most importantly the ensuing specific behaviours. There is also little discussion of any process aspects relating to the improved performance such as employee well-being or intrinsic rewards; however, employee satisfaction levels in terms of extrinsic reward is highlighted in several cases. Thus, the only metric appears to be a utilitarian focus on specific organisational outcomes and no assessment using principles, processes or other considerations of employee satisfaction or well-being.

It would appear that the ECI or ESCI framework focusses primarily on measuring emotional competencies

underpinning superior performance with a bias towards output aspects of performance. This conclusion is based on the focus of research reporting for the ECI and ESCI (Cherniss 1999; Hay Group 2011). If the primary objective of an Emotional Competency becomes largely focussed on superior job performance for the benefit of the organisation in relation to purely utilitarian assessed output, then the result may not necessarily fulfil the complete definition of EI as articulated by Goleman (1998) being that of ‘managing emotions well in ourselves and others’.

A further issue to resolve is in defining ‘what the ECI and ESCI frameworks actually measure and to what purpose are these frameworks applied?’ One of the key concerns of the authors is the propensity of the ECI and ESCI in their present forms to be applied as leadership and management development tools. The bias towards utility and the inability of the frameworks to screen unethical managers such as corporate psychopaths and narcissists suggest that the ECI and ESCI under their present formats lack an appeal to ethics. This apparent gap in the ECI and ESCI frameworks should be addressed to avoid firstly a focus on organisational utility as the prime outcome and secondly to exclude dysfunctional leadership and management types from potential assessment as EI competent.

Considerations of Virtue Ethics and EI

The study of ethics and morality has resulted in many different perspectives that seek to provide both meta-ethical and normative perspectives on what constitutes moral behaviour or an ethical decision. Managers and leaders have already been utilising a range of decision-making processes that parallel both utilitarianism and deontology or duty-based approaches; however, it is debatable as to whether they are conscious of their moral dimensions given the absence of ethics in formal management education (Christensen et al. 2007; Matten and Moon 2004; Segon and Booth 2010; Segon et al. 2010). With reference to an Emotional Competency framework acting as a leadership and development aid, there are critical limitations in applying both the utilitarian- or duty-based approaches towards any ethical enhancement of an ECI framework.

Firstly, as Koehn (1995) notes, the utilitarian approach to decision-making is a relatively mechanistic view of practical reasoning, typically based on calculating risks associated with particular outcomes. The focus is on maximising the utility with the least cost or harm. As noted earlier in this discussion, the ECI framework assesses superior performing managers predominantly using utility measures that emphasise rational goal attainment. This approach is particularly limiting given the complexity and

competing stakeholder demands prevalent in the twenty-first century organisation (Longstaff 1997; Francis 2000; Quinn et al. 2011). Cameron (1980) notes major problems with rational goal approaches to assessing performance. These include a primary focus where tangible outcomes are taken into consideration and that the measurement of goals results in the promotion of efficiency, i.e. the maximisation of the quantitative outcome as measured by sales, profits or market share, with the least possible cost. He notes that this is not the same as the effectiveness which involves assessment of achieving a qualitative outcome that would include intangibles such as corporate goodwill, quality, etc., which may result in a lower utility measure but greater effectiveness.

Secondly, duty-based approaches in management decision-making are also evident through following policies, principles and the law as a matter of course. As Koehn (1995) suggests, blindly adhering to such concepts of duty may not result in an ethical outcome.

According to Guidi and Kouhy (2009), the financial practices of Citibank, Bank of America, and the now-defunct Lehman Brothers encouraged unethical decision-making in the handling of sub-prime loan and structured asset-backed securities. According to the authors though the business policies and actions undertaken were technically legal, they were clearly unethical as they relied on ‘mis-selling’ of these financial products through asymmetry of information (Arnott and Stiglitz 1991) which resulted in a moral hazard.

This paper is concerned with a potential within the ECI framework that may permit unethical leaders and managers to be assessed as emotionally competent and moreover for these managers and leaders to use such competencies unethically. As the ECI and ESCI are applied towards the development of managers and leaders, virtue ethics is advanced as the best ethical theory that aligns with management, leadership and the competency constructs towards addressing this potential issue. Koehn (1995) highlights several attributes of virtue ethics that enhance its effectiveness within a business context, and thus strengthens the argument for its inclusion in an ECI framework. Virtue ethics focusses on the conformity between right thinking and desire. The intellectual virtue of practical wisdom is the basis for deliberation and action, and is essential for good judgment so as to enable one to find the mean between extremes.

The most accepted form of virtue ethics is based on Aristotle’s Nichomachean Ethics that describes two kinds of knowledge:

(a) theoretical knowledge (episteme) that seeks understanding or the truth in some kind of science or branch of mathematics. This is clearly consistent with the

concept of conceptual knowledge as described in the competency movement that encompasses the knowledge required to understand or be informed about a particular action or discipline;

(b) practical knowledge (phronesis) that seeks wisdom about how to act and what behaviours are to be developed through practice and habit. These concepts are also consistent with the second and third attributes of competency being behavioural knowledge acquired through practice, and attitude or genuineness, which is described by Segon and Booth (2010) as acting in the right way for the right reasons.

Ethical knowledge is advanced as a form of theoretical knowledge. As identified in the previous section, the current ECI framework does not include any ethical concepts as either knowledge or practice. As Foy (2002) notes, ethics is not a methodology or a strategy one can apply without grounding in basic theory, principles and concepts, i.e. theoretical knowledge. Therefore, we cannot expect ethical behaviour to simply emerge as a result of using the ECI framework as the basis for manager and leader development. Without a direct appeal to ethical competency, any ethical behaviour would be a matter of intuition—this would be akin to a form of moral luck. Therefore, the inclusion of ethics as a set foundation competencies would seem to be in order.

Hursthouse (1999, p. 1) argues that virtue ethics relates to an approach in normative ethics which emphasises ‘‘the virtues or moral character in contrast to an approach which emphasizes duties or rules (deontology) or one which emphasizes the consequences of actions (utilitarianism)’. However, as Koehn (1995) states, outcome and act are also central to the workings of virtue ethics. Hursthouse states that for Aristotle, character is an inevitable outcome of any act. By performing an act well, character is enhanced, and individuals are less likely to consider an outcome in isolation from past practice. Hursthouse (1999) also recognises the connection of emotions to virtue ethics. She states that the role emotions play in virtues is based on the following three claims:

- The virtues (and vices) are morally significant.
- The virtues (and vices) are all framed not only to act, but to feel emotions, in the context of reactions and also impulses to take action. (She notes that Aristotle iterates the point that virtues are concerned with actions and feelings)
- The person with virtues will be able to feel these emotions, on the *right* occasions, regarding the *right* people or objects and for the *right* reasons.

The author emphasising *right* as meaning *correct* as in the *right* answer (Hursthouse 1999, p. 108).

According to Solomon (1992), one of the most important aspects of Aristotelian approaches to virtue is the emphasis on *purposiveness* that defines human endeavour that transcends the realm of business and defines its place in larger society. At both levels, an individual and a corporate, excellence is intricately tied to the notion of purposiveness as it is defined by its superiority in practice and role in serving larger social purposes. In this sense, there is a link to the concepts advocated by the competency movement of superior performance being dependent on the development of key competencies, which was previously described as examples of *episteme and phronesis*. However, the absence of a clearly stated purpose of the competencies within the ECI framework to ensure ethical application, and its use of certain utilities as measures of excellence are advanced as major flaws that can explain unethical yet competent EI practice.

The inclusion of virtue ethics as a series of competencies addresses these two flaws by providing not only purposiveness but also a way of moderating the current potential unconscious use of the EI competencies as a way of maximising utility in unethical ways. As noted in the example of the *empathy competency*, its purpose is not to actually empathise that is feel with others or to demonstrate real concern—rather it is the ability to read the emotions and feelings of others. Given that EI is measured through rational goals, the unintended purpose of this competency may be to read others so as to establish how to use or manipulate them to achieve rational goals. From a Kantian perspective, this would be using a person as a means to an end rather than seeing the person as an end in themselves.

The other significant factor of virtue ethics that can assist in the behavioural aspects of ECI frameworks is that of the *golden mean*. A virtue for Aristotle was the *mean between the extremes* (De George 1999). Preston (1996) describes this process as a form of self-control and type of moderation that the virtuous person exercises when making decisions to act. De George (1999) asserts that without this form of self-control, various behaviours can result in excesses that can cause harm or disadvantage the individual and or others in society. The contention of this paper is that without this form of self-control, managers and leaders may exercise competencies in ways that are excessive so as to achieve measurable goals. De George (1999) notes that virtues are not only individual ways of achieving excellence and happiness as human beings, but also they are always socially beneficial, and as such they are socially recognised. ‘The virtues are skills of excellence in the art of living in society with others’ (De George 1999, p. 123).

An important aspect of ethical leaders and managers is the need to demonstrate authenticity (Dineen et al. 2006; Palanski and Yammarino 2011; Segon 2004; Simons et al. 2007). The concept of authentic leadership and management

practice provides further links to both virtue ethics and the competency movement. Leroy et al. (2012) suggest that authentic leadership includes those positive virtues that align with behavioural integrity. They have been demonstrated to drive follower performance through increased perception of trust and satisfaction with the leader and follower affective commitment (Dineen et al. 2006; Palanski and Yammarino 2011). Various studies have sought to identify the behaviours and characteristics that effective leaders and managers tend to display and those that followers admire. Trust and honesty continue to be important qualities that generate respect and loyalty along with leaders displaying genuine care for others (Goffee and Jones 2000; Trevino and Nelson 2006). Similarly, Lewicki and Bunker (1996) suggest that trust is based on behavioural integrity that is described as people doing what they say they are going to do. Simons (2008, 2002, 1999) describes delivering on promises and modelling values as critical elements of behavioural integrity. Kouzes and Posner (1993, 2002) identify that this perception of leader integrity is most effectively built and maintained through a pattern of actions that are consistent with espoused values. Finally, Lord and Maher (1993) similarly argue that honesty is the most significant characteristic assessed by followers in deciding whether someone is worth following or not.

Ethics as a New EI Cluster and Related Competencies

Orme and Ashton (2003) refer to ethics as a foundation competency, which suggests that ethics can also be learned and developed as a management competency. The competency movement and the ECI framework is based on the concept of informed practice. This means that managers and leaders must acquire knowledge, behaviours and attitudes to inform their practice. The authors argue that ethical management should similarly be informed and thus a feature of the ECI model. Cohen (2012) refers to *moral competence* as a positive attribute, of being the ability to understand the complexity of an issue and the ethical concepts and tools that are needed to address a particular situation. He outlines the challenges of moral reasoning and the differences between different approaches to ethical decision-making including utilitarian perspectives as well as duty-based and principled approaches. This is supported by Foy (2002) who suggests that ethics is not a concept that one can apply without grounding in basic theory, principles and concepts. Nor is it reasonable to expect ethical behaviour to simply emerge in an individual as a matter of intuition alone (Singer 2005).

It follows that to be ethically competent, managers must be able to link moral reasoning to action, and this requires an understanding of ethics. Thus, we can identify the

Fig. 1 A proposed exemplar of an ethically informed ESCI framework with Ethics as a foundation competency. The emotional and ethical competency framework



conceptual knowledge that is required, so as to understand the ethical dimensions of a decision, that is the ability to assess the consequences of an action to identify the most ethical solution. This also includes the options for making a decision so that the action itself is moral, and undertaking the action in a way that demonstrates and encourages ethical practice. This information clearly parallels the three concepts that constitute competency being conceptual knowledge, behavioural and attitudinal capacities that demonstrate *genuineness* (Boyatzis 1982). These enable authentic translation of the competence as one that is positively motivated and becomes natural and habitual in manner. The point in having distinct ethical competencies would ensure development of an individual from the *pre-conventional* of mere obedience or self-interest and the *conventional* of abiding by social norms and the law to move towards the *post-conventional* of principled conscience (Kohlberg 1971; Kohlberg and Lickona 1976).

Boyatzis (1982, 2001) describes the concept of a *threshold competency*, which is the required knowledge, but not necessarily related to superior performance. Similarly, Goleman et al. (2001, 2002) acknowledge that there are mandatory competencies that must be developed and that superior performance cannot be attained without them. Whilst ethics as a competency has some elements of being a threshold competency, it is more in keeping with Goleman's concept of a mandatory competency. Arguments and examples presented in this paper demonstrate that the ECI and ESCI have had any appeal to ethics excised from

both these present frameworks. Further, the notion that some business leaders are seemingly able to satisfy emotional competencies yet behave unethically further supports the need for ethical competence as defined by Cohen (2012). It is for these reasons that the authors argue that a new cluster of *Ethical Management* be included in the ECI frameworks, in addition to specific ethical competencies in each of the other four clusters. Moreover, the new cluster and competencies should be seen as mandatory rather than threshold competencies so that ethical dimensions and practice be considered and developed as a requirement of superior performance. As noted earlier in this paper, Caruso and Salovey (2004) acknowledge that they assume or hope that managers have already developed capability in the area of moral reasoning and ethical practice. As evidenced by the examples and discussion presented in this paper, this assumption is found wanting (Fig. 1).

The rationale for locating the new Ethical Management cluster in the centre of the ECI framework as a mandatory competency cluster is that the three competencies are foundations of ethical knowledge, virtuous behaviour and genuineness, which are required to inform the specific ethical competencies in each of the other four clusters. Thus, each of these clusters influences or acts as a moderating competency, enabling managers to assess the mean between extremes of virtue and vice. This is consistent with a virtue ethics approach. Further by establishing a mandatory ethics competency in each of the four ECI clusters, consistent with Goleman et al. (2001, 2002), it

fundamentally changes the nature of the framework to have the practices of *Self-awareness*, *Self-management*, *Social awareness* and *Relationship management* ethically focused and acted upon. Managers and leaders must now address the ethical dimension of each of the competencies within the clusters, and question their purpose and intent. The descriptors of the *Ethical Practice* competency align with Cohen's description of moral competence previously described as a form of *episteme* (Cohen, 2012). The second aligns with the range of virtues previously identified as characterising ethical leadership, and the third, *Genuineness* can be described as a form of behavioural integrity in which actions must align with stated values so as to build trust and respect and a form of *phronesis*.

As noted above, each of the four clusters now contains an ethical competency that moderates the other competencies within that cluster. In the *Self-awareness* cluster, *Emotional self-awareness* is moderated by *Ethical self-awareness*. Managers must now not only consider their emotions and how to draw insight from them, but also to utilise ethical competence as described by Cohen (2012) to consider why and how these emotions frame thought feeling and action. The *Ethical orientation to the self* is deemed a competency that requires managers and leaders to assess not only their conceptual knowledge about ethics, which not only allows for informed practice, but also requires the individual to assess the motive or intent of the action. Unlike Boyatzis' (1982) concept of motive as being a rational goal focus, this competency requires the manager or leader to question their motive from perspectives of fairness, justice, rights, process and virtue in addition to utilitarian perspectives. This is a form of self-control which changes the nature of the ECI framework from one of what competencies must I develop to achieve goals in a superior way, i.e. maximise utility, to one of thoughtful reflection about the self. In essence, it encourage the question—what sort of person ought I be or what should I become? This is consistent with the virtue ethics approach which encourages consideration of the types of characteristics one ought to develop so as to flourish (Solomon 1992; Preston 1996). It is also entirely consistent with Boyatzis' theory of self-directed learning moving from real self to ideal self through reflection and experimentation of new behaviours, thoughts and feelings (Goleman et al. 2002). This theory is a major platform of the Resonant Leadership model of Goleman et al. (2002) which is underpinned by the Emotional Competencies.

The proposed *Ethical complexity awareness* competency enables managers to identify the ethical dimension or range of ethical issues associated with a decision or context from a multistakeholder perspective. This competency is clearly dependent on the manager being ethically aware and having an ethical orientation to business and societal

issues. Without capacities for ethical awareness and orientation, the manager could not examine the environment and assess who will be affected and how they will be affected by a decision or action. This is a critical ethical competency because above all others, this changes the dynamics of the ECI framework. It moves it from performance framed through a rational goal orientation to one of an ethical orientation to consider the broader community consistent with the concepts advanced by virtue ethics. In this sense, this competency requires the superior manager and leader to consider the notion of purposiveness.

Finally, the *Virtuous interaction* competency in the *Relationship management* cluster calls upon the manager to display the key characteristics of honesty, integrity, truthfulness, etc., when working with others. Once again, the role of the mean becomes critical as other EI competencies in this cluster such as *Influence*, *Conflict management* and *Leadership* have been shown to have potentially unethical application in the pursuit of performance measures. As previously noted in this paper, the combination of an ethical orientation with a genuine concern for others together with personal competence and fairness in the exercise of power, sends a clear message to others, and in doing so establishes trust (Bethel 1999). Substantial evidence has also been presented highlighting that these behaviours are consistent with ethical leadership which in turn is enhanced by behavioural integrity. Thus, the third component of competence in terms of *Genuineness* or authenticity is cultivated through *Virtuous Interaction*.

Conclusion

This paper has analysed the most popular EI frameworks the ECI and the ESCI, and identified the lack of a direct appeal to ethics and moral practice. Furthermore, the originators of the framework acknowledge that the purpose is to develop outstanding or superior performing managers as measured by common business indicators. It was identified that originators of the competency movement maintain that competencies can be learnt, which supports its use as a management and leadership development model. In effect, this means that the frameworks are evaluated using utility which emphasises goal attainment. Thus, the competencies are the means to achieving the ends of business. The authors maintain that this allows managers to be seen as emotionally intelligent or competent, yet potentially behave unethically.

The authors have demonstrated through a number of critical cases relating to business leaders together with supporting discussion that it is possible for individuals to potentially demonstrate emotional intelligence competencies, yet to behave unethically. The need for an ethical

orientation throughout the frameworks is required; however, it is also recognised that this does not occur through intuition, or can it be relied upon to simply emerge. It is concluded that without the inclusion of the ethics competencies to moderate emotional intelligence behaviours of managers and leaders, any ethical outcome from the ECI frameworks is most likely a matter of moral luck.

A variation of the ECI framework has been proposed, which includes an Ethical Management as a mandatory competency cluster at the heart of the ECI framework. It was argued that a conceptual understanding of ethics informs intra- and inter-personal practice, which is demonstrated in an authentic manner by virtues such as integrity, courage, trustworthiness etc. Moreover, in order to ensure that all components of ECI framework are underpinned by ethics, four specific mandatory competencies are included in each of the clusters, which act as moderators consistent with the concept of the golden mean in virtue ethics.

The inclusion of these ethics competencies that would support managerial and EI practice would encourage emotional intelligent managers to question the intent of their actions so as to ensure that ethical reasoning is applied; ethical processes in applying EI competences are pursued; and ethical intent, processes and outcomes are achieved.

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